



June 4, 2004

The Honorable William M. Thomas  
Chairman  
Committee on Ways and Means  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the American Forest & Paper Association (AF&PA), I am writing in support of the "American Jobs Creation Act of 2004." Your legislation to replace the WTO illegal FSC/ETI regimes is urgently needed to help make domestic manufacturing more globally competitive and to end trade retaliation by the European Union (EU).

AF&PA represents companies ranging from small family-owned manufacturing facilities to large international operations. Our members are hit squarely by the elimination of the FSC/ETI benefit on exported products, and they are also the target of retaliation. Over \$200 million of the \$4 billion of U.S. products subject to the sanctions by the EU are wood and paper products. The tariffs are a direct impediment on U.S. manufacturers' ability to regain market-share in Europe that was lost due to the high value of the dollar from 1997 to 2002.

The U.S. currently imposes among the highest level of taxes on corporations in the industrialized world, resulting in a loss of competitiveness for domestic manufacturing industries such as ours. Since 1997, approximately 220 U.S. wood and paper manufacturing facilities have been closed and more than 120,000 manufacturing jobs lost.

We compliment you for taking a straightforward approach of lower tax rates on income from domestic manufacturing and inputs to forest products manufacturing, such as timber. At the same time, we agree with you that international operations of U.S. companies should not be penalized by the tax code as they are under today's law.

The industry looks forward to working with you in support of your efforts to replace the FSC/ETI regime with the provisions in the "American Jobs Creation Act of 2004."

With kindest personal regards, I remain,

Sincerely yours,

W. Henson Moore  
President and Chief Executive Officer